

## Message Text

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PAGE 01 LIMA 02039 131619Z

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ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00

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TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /087 W

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R 131509Z MAR 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 4270

INFO AMEMBASSY MEXICO

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E.O. 11652: N/A

TAGS: PFOR, ME, US

SUBJECT: TRADE ACT: CALL ON MINISTER OF COMMERCE

SUMMARY: ASSISTANT SECRETARY ROGERS, ACCOMPANIED BY AMBASSADOR, CALLED ON MINISTER OF COMMERCE GENERAL LUIS ARIAS GRAZIANO. TRADE REFORM ACT AND POSSIBILITY OF CCC CREDITS FOR PERU WERE DISCUSSED. END SUMMARY.

1. DURING COURSE OF CORDIAL AND FRANK COURTESY CALL ON RECENTLY APPOINTED MINISTER OF COMMERCE GENERAL LUIS ARIAS GRAZIANO, THE FOLLOWING TOPICS WERE DISCUSSED.

A. MINISTER ARIAS EXPRESSED PERU'S CONCERN BECAUSE TRADE REFORM ACT DENIED TRADE PREFERENCES TO COUNTRIES PARTICIPATING IN PRODUCERS' ASSOCIATIONS. PERU RELIED ON RAW MATERIAL PRICES FOR ITS ECONOMIC DEVELOPMENT AND ALWAYS SUPPORTED IDEA OF PRODUCERS' GROUPS DESIGNED TO MAINTAIN PRICES AT FAIR AND EQUITABLE LEVEL. HE WAS NOT TALKING ABOUT UNREASONABLY HIGH PRICE LEVELS. HOWEVER, TITLE 5 OF TRADE REFORM ACT APPEARS TO PUT PRESSURE ON RAW MATERIAL PRODUCERS.

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PAGE 02 LIMA 02039 131619Z

ING COUNTRIES IN THIS MOST VITAL AREA OF THEIR OWN SELF-

INTEREST. PERU, ALREADY A MEMBER OF COPPER PRODUCERS' ORGANIZATION, HAD RECENTLY DISCUSSED WITH MEXICO FORMATION OF A SILVER PRODUCERS' ASSOCIATION. PERU ALSO OF THE OPINION THAT RAW MATERIAL PRODUCING COUNTRIES MUST UNITE IN DEFENSE OF FAIR PRICES FOR THEIR PRODUCTS IN ORDER TO COUNTERACT ACTIONS OF DEVELOPED COUNTRIES WHICH SEEK TO DEPRESS PRICES OF RAW MATERIALS. HE SPECIFICALLY MENTIONED RECENT JAPANESE COPPER SALES AS BEING A DEPRESSANT ON COPPER PRICES.

B. SECRETARY ROGERS EXPLAINED THAT AT THE PRESENT TIME THE ONLY PRODUCERS' GROUP TO WHICH THE ACT APPLIES IS OPEC AND THAT THE ACT IS CLEARLY AIMED ONLY AT ASSOCIATIONS WHICH EFFECT UNREASONABLE PRICE INCREASES WHICH CAUSE DISRUPTION OF WORLD TRADE--NOT PRODUCERS' GROUPS AS SUCH. TITLE 5 OF THE LAW, FURTHERMORE, IS BY NO MEANS ITS MOST IMPORTANT PART. THE MULTILATERAL NEGOTIATING AUTHORITY THE ACT CONFERS IS, IT OPENS UP THE PROSPECT TO ALL COUNTRIES OF GENERALLY LOWER TARIFFS AS WELL AS FROM ELIMINATION OF NON-TARIFF BARRIERS. MINISTER ARIAS EXPRESSED APPRECIATION FOR THESE COMMENTS. HE CLAIMED THEY GAVE HIM AN ENTIRELY NEW APPRECIATION OF THIS LAW.

2. MINISTER ARIAS BROUGHT UP THE POSSIBILITY OF A CCC CREDIT FOR THE PURCHASE OF WHEAT, CORN AND EDIBLE OIL FROM THE UNITED STATES. AMBASSADOR DEAN EXPLAINED TO THE MINISTER THAT IN 1974 PERU HAD RECEIVED THE ONLY CCC CREDIT GRANTED BY THE U.S. FOR WHEAT DURING THAT YEAR. AT THE PRESENT TIME, THERE WAS A POSSIBILITY THAT SOME CCC CREDIT MIGHT BE AVAILABLE AND THAT THE EMBASSY WOULD DISCUSS THIS TOPIC WITH THE MINISTRY OF COMMERCE. THE MINISTER EXPRESSED HIS APPRECIATION.

3. THE MEETING WAS CORDIAL AND MINISTER ARIAS OBVIOUSLY APPRECIATED EXPLANATION MADE TO HIM AND COURTESY ASPECT OF THIS VISIT.  
DEAN

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## Message Attributes

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**TAGS:** PFOR, PE, US, CCC-1, (ROGERS, WILLIAM D), (ARIAS GRAZIANO, LUIS)  
**To:** STATE  
**Type:** TE  
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